

AUSTIN ROVER OFFER THE BEST DEAL EVER.

Check the Facts:

Austin Mini
from £2,999

Austin Metro
from £3,250

Triumph Acclaim
from £4,829

Morris Ital
from £4,367

Austin Ambassador
from £5,106

Rover
from £7,451



BUILDING BETTER VALUE INTO BETTER CARS

OFFICIAL D.O.T. FIGURES: METRO CITY: SIMULATED URBAN CYCLE 38.4 MPG (7.4 L/100 KM), CONSTANT 56 MPH 53.1 MPG (5.3 L/100 KM), CONSTANT 75 MPH 38.6 MPG (7.3 L/100 KM). PRICES QUOTED ARE MANUFACTURER'S MAXIMUM RECOMMENDED RETAIL PRICES FOR THE BASE MODELS ROVER 2000 MANUAL £7,451. PRICES INCLUDE CAR TAX AND VAT BUT NOT SEAT BELTS, DELIVERY OR NUMBER PLATES.

Better value. Better cars. Better deals. There's never been a better time to buy from Austin Rover.

From the all-round economy of the new Metro City to the low price and running costs of the new prestige Rover 2000, there's better value right through the range.

With the new technology behind the latest Mini and Metro, and the new Acclaim, Ambassador and Rover, we're building even better cars.

Your Austin Rover dealer is in a position to show you, demonstrate to you and offer you a better car than ever before.

So visit your local showroom now.



Don't miss out -
buy from Austin Rover today.

Restraint plea by Arafat after Israeli air raids

From Robert Fisk, Beirut, April 22

Mr. Yasser Arafat, the Palestine Liberation Organisation chairman, has persuaded most of the extremist Palestinian leaders in Beirut not to respond to yesterday's Israeli bombing raid on Lebanon by restarting the conflict in southern Lebanon.

But the Palestinian-Israeli ceasefire — as arranged a truce — any arrangement in Lebanon — remains both tentative and dangerous with at least one PLO faction claiming that it no longer exists.

Mr. Arafat's efforts came after an indirect message from the American Government — reportedly to him by a Saudi diplomat and Mr. Chirif Wazzan, the Lebanese Prime Minister — warning him that any Palestinian attacks on the Kibbutzim of Northern Galilee would provide an excuse for the Israelis to stage a full-scale invasion of Lebanon.

It was primarily for this reason that the PLO responded to the Israeli raid by claiming that it would "retaliate" where and when it sees fit — a formula that clearly implies a Palestinian attack against Israel from Jordan or from inside the West Bank.

The PLO's more intransigent factions did their best to cloak their restraint with belated rage, but the time that it took to conceal their intention of maintaining a truce — unilaterally, if necessary — in southern Lebanon.

The popular Front for the Liberation of Palestine General Command, for instance, announced that it is "going to strike against Israel from inside Israel and from outside Israel, and not necessarily from southern Lebanon."

This does not mean, however, that every PLO group will obey Mr. Arafat's instructions. The pro-Moscow Democratic Front for the Liberation of Palestine has developed the habit of claiming responsibility for attacks on Israelis in the West Bank and Gaza. One more such claim in the next few days could be used by Israel as a pretext for further air attacks upon Lebanon.

In Southern Lebanon, officers of the PLO's Fatah guerrilla movement promised to follow Mr. Arafat's order, claiming that the Israelis were trying to appease the Jewish settlers refusing to leave the Sinai town of Yamit.

However, Israeli aircraft could be seen all day in the skies of southern Lebanon, watched by Palestinian anti-aircraft gunners on the coastal highway around Tyre.

During the morning, Israeli jets made their regular photo-reconnaissance run over Beirut, drawing the usual fire from the Palestinian camps.

The PLO permitted journalists to enter their base at Mazbouh, 19 miles from

Beirut, which was one of yesterday's bombing targets. Three heavy artillery pieces, several Katyusha rocket launchers and a number of cars had been destroyed in the raid. The Lebanese authorities now put the number of dead at 23.

In Damascus today, the Syrian government denounced yesterday's raids as "a barbaric attack" and Syrian state radio asserted that Syria would "confront any new Israeli move in Lebanon".

In the familiar rhetoric it uses on such occasions, the broadcast claimed that "Arab skies will not be open for enemy arrogance irrespective of costs, sacrifices or whatever it takes".

This was scarcely proved yesterday when two Syrian jets were shot down over the Bekaa Valley by Israeli aircraft.

The wreckage — both Mig 23s — were destroyed, although the pilots baled out by parachute, landing rather inconveniently in territory controlled by the right-wing Phalangist movement, who bear no love for Syria.

But the Phalangist leader, Mr. Bashir Gemayel, handed them over to the Lebanese authorities in Beirut last night with much pomp and publicity. It was the first time that the Syrians had put their Mig 23 fighter aircraft into combat over Lebanon. Previously they have confronted the Israelis there only with veteran Mig 21 jets.



'World doctor' awarded Onassis prize

From Mario Modiano, Athens, April 22

Dr. Bernard Kouchner, the French physician who founded Doctors of the World, a society of volunteers who offered medical relief in distressed areas, and Professor Manolis Andronikos, the Greek archaeologist who discovered the royal tombs of Macedonia at Vergina. Today

received the Alexander Onassis prize for 1981 presented by President Karamanlis. The prizes carry a cash award of \$100,000 (£55,000). Dr. Kouchner, who received the Athenian prize for promoting "the rapprochement of peoples and upholding the dignity of man," said the

money would go, symbolically, to El Salvador and Afghanistan. Doctors of the World consists of volunteers, nurses and physicians who devote a few months of their lives to work without pay in places hit by disasters. They have worked in South-East Asia,

Central America, Africa, Afghanistan and Poland. Dr. Kouchner said: "For us oppression of the right and of the left is identical." Professor Andronikos received the Olympia prize awarded for contributions to the safeguarding of man's cultural heritage.

Ecevit men face death on plotting charges

From Rasit Gurdilek, Ankara, April 22

Two former deputies from Mr. Bulent Ecevit's former Republican People's Party appeared in a military court in Erzurum, eastern Turkey, today on capital charges of forcefully attempting to overthrow the constitutional order.

Mr. Erturol Gunay and Mr. Temel Ates, were detained in 1980 on charges of assisting the underground "Dev-Yol" (Revolutionary Path) organization in building up "liberated zones" in their constituency. They were released after 14 months in detention only to be re-arrested recently at the request of the Erzurum court.

Mr. Ecevit himself, detained earlier in the month over an alleged statement to a Norwegian newspaper, remains in custody here. Mr. Mustafa Ustundag, the former secretary-general of the party, and a number of leading party deputies are undergoing investigation.

So far, of the original 587 leaders, militants and sympathisers of the extreme right-wing Nationalist Action Party indicted at the current mass trial of the rightists, 187 have been released. Mr. Ecevit is also the subject of an investigation, along with 132 of his former deputies, over alleged support to the Marxist-oriented Progressive Trade Unions Confederation (Disk).

Brezhnev reappears in public looking fit

From Michael Binyon, Moscow, April 22

President Brezhnev reappeared in public today after an absence of almost a month, looking reasonably fit and showing no obvious signs of fatigue. Together with other Politburo members, he took part in a televised Kremlin ceremony commemorating the 112th anniversary of Lenin's birth.

The Soviet leader dropped out of public view on March 26, after a tiring trip to Central Asia, and Soviet sources suggested he was taken to hospital in Moscow suffering from exhaustion immediately after he returned from Tashkent.

As speculation on the state of his health mounted, no official word was given, although a Foreign Ministry official said that Mr. Brezhnev was taking a routine winter holiday.

During his absence, a stream of official telegrams and decrees continued to be issued in his name, and last week the Soviet leader replied to President Reagan's suggestion of a summit meeting in New York in June with a proposal for a summit in October.

His proposal, suggesting the Soviet leader has no intention of retiring in the summer as has been rumoured, was read out on television in advance of publication in Pravda to quash rumours circulating here last weekend that he was seriously ill or even dead.

Mr. Brezhnev did not speak during the Kremlin ceremony and Soviet television, adept at turning its cameras away so as not to show any slowness of difficulty in his movements, did not show the Soviet leader rising or sitting down after the national anthem. But he appeared relaxed and attentive.

Mr. Konstantin Chernenko, a Brezhnev aide who has risen swiftly in recent months, sat beside Mr. Brezhnev, indicating he is now considered second in the Politburo hierarchy.

Mr. Andrei Kirilenko, aged 75, the longest-serving member of the Politburo apart from Mr. Brezhnev, who has not taken part in party functions for two months, was again absent today. Mr. Yuri Andropov, the head of the KGB security police, delivered the keynote speech at the rally.

In recent months Soviet officials have indicated growing irritation with the spate of rumours that now sweep Moscow with monotonous regularity as to the state of Mr. Brezhnev's health. It is a rumour on which they refuse to comment, and a Western diplomat, who asked about Mr. Brezhnev's health at a meeting in the Soviet Foreign Ministry recently, was met with an icy silence.

Most rumours start in the West and those of Mr. Brezhnev's demise appear to begin in Western stock exchanges.

Moro trial threat to 'tell truth'

From Peter Nichols, Rome, April 22

Terrorist suspects on trial in Rome on charges of the kidnapping and murder of Signor Aldo Moro, the Christian Democrat leader, four years ago, today threatened the court that they might actually tell the truth.

The unchallenged leader of the 63 defendants, Mario Moretti, told reporters from his cage in the improvised courtroom: "Write that we have a lot to say about Moro and we shall say it at the right moment".

This was the third day of hearings in the case which is concerned also with some 12 other murders. Signor Moretti, who is accused of having interrogated Signor Moro and then to have given the order to shoot him, insisted today that the defendants wanted to determine themselves in which case they were to sit while following proceedings.

The court had laid down that the defendants should be subdivided according to sex and political connotation within the Red Brigades movement, from advocates of armed action to members of the more political wing of the movement, and those who had agreed to give evidence to the investigators.

The defendants accused the court of wanting to keep them out of the proceedings. Signor Moretti said that the court, on the orders of the Government, "is doing all it can not to have us here. He went on: 'But we want to be present because we have a lot to say. This is the reason why the judges want to have the trial without us'."

Having made their protest, the defendants abandoned proceedings, but not without a threat to the press: "Be careful what you write because we are tired of jokes."

Poles show hope in face of woe

From Roger Boyes, Warsaw, April 22

Senior Polish officials today delivered a comprehensive account of the country's economic woes in speeches that were distinguished for their faith, hope and charity, the greatest of these being hope. Mr. Janusz Obodowski, Deputy Prime Minister in charge of the economy, said that Poland wanted to pay back its debts to the West but needed short-term credits to do so.

Mr. Obodowski was speaking at the start of a two-day meeting of the plenary session of the Communist Party's central committee. He said that industrial production lagged far behind that of last year but a slight improvement was being registered from month-to-month.

The number of employed had dropped by 5 per cent in the first quarter of the year but productivity had increased by 6 per cent. Hope tinged with resentment was the keynote. Economic reform — giving enterprises more initiative — would consolidate the gradual improvements, but the recovery would take much longer than expected because of financial and trade sanctions against Poland by the West. Mr. Marian Wozniak, an alternative Politburo member, estimated that it could be as much as two years more. If the West wanted the Poland to sort out its debts it had to help.

Meanwhile it is understood that the Senate of Warsaw University has now approved four deputy rectors. Professor Franciszek Grucza, Professor Bartoszewicz, Professor Kaluzynski, all linguists, and Professor Szaflik, Dean of History, will be officially nominated on April 27. Students are planning a protest against the appointments of the regime-oriented professors.



ONE TRUCK IN SIX HAS THE IVECO BADGE

The reason is easily explained. Since 1975, Iveco has combined the resources of Fiat, Magirus, Unic and OM.

Trucks, buses and diesel engines manufactured with the benefits of years of experience, research and proving.

All of them products of know-how on an international scale. Think Iveco for today's road transport.

IVECO, A WORLD OF TRANSPORT



EEC farm prices accord paves way for budget

From Ian Murray, Luxembourg, April 22

A record increase in earnings for Europe's eight million farmers has all but been agreed by EEC agricultural ministers meeting here. What still stands in the way of a final settlement is the question of how much Britain should pay into the Community budget, and this is next due to be discussed by foreign ministers meeting here next Tuesday.

Given the facts that Britain will not agree a package until the budget issue is settled, the agriculture ministers today suspended their meeting provisionally until next Wednesday to await the outcome of these parallel negotiations.

It is already clear, however, that Britain has abandoned its hard-line position on a number of agricultural issues and this may well make it easier for it to achieve a budget deal that would be satisfactory.

During the past three days of the meeting the question of prices has not even been discussed in the open sessions. Nevertheless, Mr Paul de Keersmaecker, the Belgian President of the Council, made soundings among all the delegations. He was able to report afterwards that "with some minor changes" Commission proposals for increases averaging 10.5 per cent were universally acceptable.

This would be the highest single price rise ever agreed for the EEC's farmers. It is



Mr Buchanan-Smith: Soft line from Britain.

significantly above the 5 to 6 per cent increase the British Government had privately hoped could be agreed and it calls into question the idea Britain so strongly backed of creating a prudent price policy for agriculture.

Commission estimates given to delegations at the meeting show that their proposals would add about £37m to agricultural spending. Mr Alick Buchanan-Smith, Minister of State for Agriculture, backed Herr Josef Ertl, the West German Minister, in questioning the commission intensely on this point.

"We think their assumptions in many cases are far too optimistic," Mr Buchanan-Smith said afterwards. British experts are to

spend the time until the next meeting investigating just how realistic the commission estimates are. Even so, Britain has accepted assurances from the Commission that spending can still be contained within the community's own resources, up to the per cent value-added tax ceiling.

Nor did he disagree with the Belgian Minister's view that a solution was in sight to the vexed problem of helping small dairy farmers.

Mr Buchanan-Smith said everybody now accepted that something had to be done for these small farmers and what was needed was agreement on how best that help should be given. This is in marked contrast to the outright refusal by Britain earlier this year to accept any scheme which would encourage small farmers to add to the milk surplus.

The other outstanding problems identified by Mr de Keersmaecker were adjustment of the green currency rates, marketing of Mediterranean products including wine, and possible special measures to help Greece contend with its high inflation rate.

It is to be left to Mr de Keersmaecker, who as Belgium's joint agriculture and European Affairs minister, will be present at the budget discussions next week, to take a final decision on when to resume the meeting.



India's roadside justice

Anarchy on the roads is an enduring nightmare in India. But something is being done at last. Mobile courts, as seen above, are being set up as part of a novel concept: strict enforcement of the traffic laws (Trevor Fishlock writes from Delhi).

India's roads are among the most dangerous and frightening in the world. Drivers are reckless and fatalist, and pay scant attention to other road users, laws and road conditions.

The behaviour of bus drivers, for example, is an acknowledged national scandal. Bus crashes with large death tolls are commonplace. Many drivers are untrained, unlicensed and inexperienced. Lorry drivers, too, strike fear into other road users. Many of them, as

they hurtle towards another vehicle, make it a point of pride to swerve only at the last instant. Wrecked lorries litter the country's highways.

People often drive the wrong way around a roundabout or against the traffic flow. For many, it seems, traffic lights are purely decorative. Pedestrians and cyclists are given little consideration.

In Delhi the new chief of the police traffic department, Superintendent Kiran Bedi, is determined to put some order into the chaos. She calls Delhi's traffic "totally undisciplined" and is seeing that the law is more rigorously enforced. Hence the courts set up on the capital's roadsides. Magistrates can impose fines of up to 1,000 rupees (£58).

Guns before butter Pacifism is a dirty word in Russia

From Michael Binyon, Moscow, April 22

Almost every day Soviet newspapers report with approval the growing strength of western peace movements. Television shows demonstrations against nuclear weapons and carries interviews with disarmament body campaigners. "There is in western Europe virtually no place free from anti-militarist sentiments", *Izvestia* said recently.

But any such sentiment is quickly and firmly suppressed at home. Indeed the Russians make it clear that they will not tolerate any questioning of their own nuclear arsenal, and have recently stepped up the campaign to inculcate a sense of "patriotic duty" in young people. As in East Germany, officials have expressed fears that "anti-militarist propaganda is beginning to backfire. There is no place for pacifism in the Soviet Union. The product is strictly for export to the West."

The authorities do all they can to prevent Russians equating military preparations at home and abroad. The language used is different: whereas western policies are "militarist", "aggressive" and "expansionist", Soviet defence is invariably linked with patriotism, the strengthening of peace and repelling imperialist aggression.

Detailed descriptions are given of the West's nuclear might, its power to obliterate mankind and its debates on strategy and survival. No word is ever allowed out about Soviet strategy, military preparedness or nuclear arsenal.

The press acknowledges only "sufficient" weapons to give any adversary a "resolute rebuff". The Soviet leadership, after long hesitation, recently authorized release of the number of nuclear missiles it admitted to deploying, but such is military secrecy that these were referred to only by their Nato-given names—SS4, SS5 and SS20.

Any form of western pacifist movements is carefully edited to show only protests against western weapons. Nuclear disarmers who arrive in Moscow are unable to speak in public of Soviet weapons, or display banners calling on the Kremlin to dismantle its missiles.

Pacifism has long been condemned by party propagandists. The 1978 edition of the *Soviet Military Encyclo-*

pædia describes it as "a pseudo-scientific movement in the Soviet Union, but it is a fully-organized government body which lobbies for Soviet disarmament initiatives and encourages support at home for official foreign policy."

There is no spontaneous movement for unilateral disarmament, nor any other independent manifestation of anti-militarism, but there does appear to be a growing dislike of the military demands placed on each citizen. National service is very unpopular, and cases have been reported of mothers lobbying recruiting boards to prevent their sons being sent to Afghanistan.

The trend has already worried the authorities. Marshal Nikolai Ogarkov, chief of the Soviet General Staff and Deputy Defence Minister, in a recent booklet aimed at mass readership, called for a decisive struggle by propaganda workers to fight "complacency and elements of pacifism" among Soviet youth.

In spite of calls for greater military vigilance, there is little evidence of widespread pacifist feeling. A British peace delegation that came here in January was saddened to find that while Russians quickly condemned the military build-up in the West, they could not level their own armaments could threaten any other country.

But as the Russians feel more and more threatened by the tough line coming from Washington and endorsement by enemies, they are determined to keep up their defences at whatever cost.

Military spending is estimated to be growing by about 4 per cent a year, but as the faltering Soviet economy slows down, this will bite ever deeper into the budget for consumer goods. The leadership will always put guns before butter, but it is anxious to ensure that rising discontent, especially among the young, at the low level of consumer goods is not translated into calls for cuts in the defence budget.

Pravda told ideological workers last year to root out any traces of pacifism occasionally found in instructional and propaganda materials. Those, it appears, are for use overseas.

Your most valuable piece of office equipment is hardly ever used.

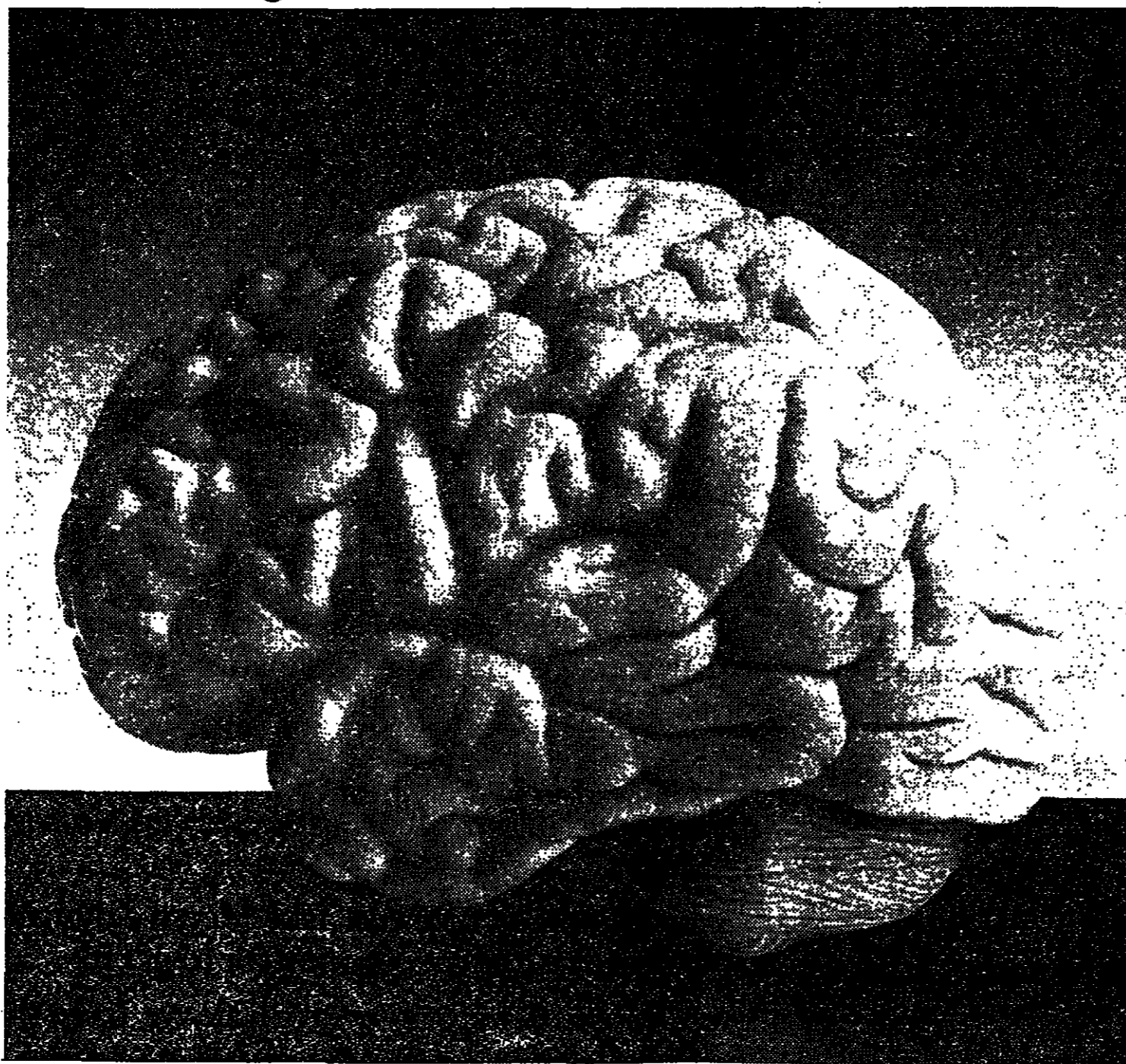
Think how much of your time at work is spent doing routine chores. The kind of things that simply have to be done before you can get down to your real work.

It's a fact of life.

Well, perhaps not.

Rank Xerox build whole systems designed to take exactly that kind of task off your back.

For example, you could have an information processor or a word processing system that can edit, store, retrieve and generally manage figures and text automatically. Saving you hundreds of hours a year, time you can use to be creative, to think, to make decisions, do the things only you can do.



One of our copiers can give you high quality finished reports automatically. Which means that your secretary won't have to spend time doing all the necessary collating and stapling.

We have a facsimile machine that will take a typical A4 letter and transmit it in less than 60 seconds to anyone

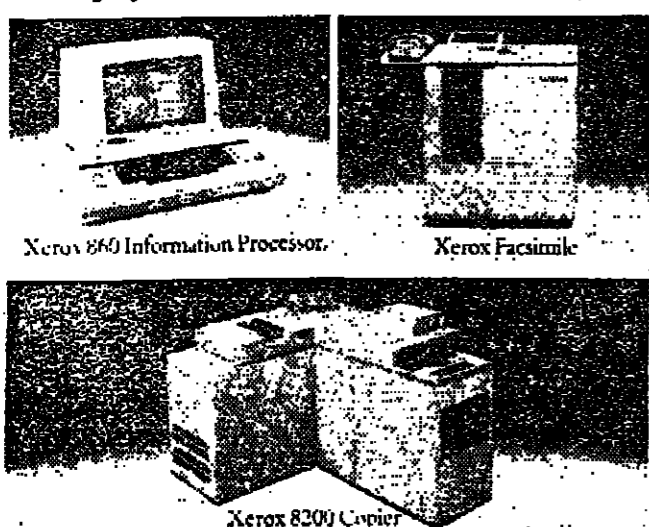
else in the world with a similar machine, automatically, at any time of the day or night.

Each of these will give you and your staff time. Time to think, time to get down to the real work.

RANK XEROX

We give people time to think.

For further information ask the operator for Freefone 2279 or call 01-380 1418 any time.



UN tries to help Third World cities

From Our Correspondent
Nairobi, April 22

The urban population in developing countries is expected to more than double over the next 20 years, putting city services under increasing stress and making the poor suffer most of all. There are now 800 million "poor" people in the world with incomes of less than £50 a year. Many of the poorest of them are living in cities and towns, often in shanty areas with minimal facilities.

The United Nations Centre for Human Settlements—Habitat—founded in 1976 after the first United Nations conference in Human Settlements in Vancouver is deeply concerned with the problems involved in raising housing standards in the fast-growing cities and towns of the developing world.

Habitat, which has its headquarters in Nairobi, is holding its annual conference here next week, starting on Monday, attended by representatives of most of the world's governments.

Habitat, like its sister organization, the United Nations Programme for Development, is itself facing problems, mainly of finance. Dr Arvo Kananen, its executive director, says that Habitat's work programme needs about \$m in extra-budgetary contributions from governments, and he is appealing for more finance. He is puzzled by a suggestion of the general assembly that, as part of a general review of United Nations expenditure, Habitat should increase its efforts in seeking finance for housing services, but should cut down its work in developing more economic and efficient housing techniques and the planning of settlements.

For this year's conference, Habitat has prepared studies on urban and rural transport because, it points out, too costly transport systems limit the working ability of millions of poor people.

"Current rural transport policy, oriented mainly towards the provision of trunk roads and feeder roads, often built to a high standard of design is inappropriate, and should be reformulated," he says. "The rural poor should be provided with essential access facilities and the development of appropriate (low-cost) vehicles for use both on and off the farm should be promoted."

There should be less emphasis on developing high-cost central city areas, and more on building up the "informal" economy. The United Nations plans to designate 1987 as the international year of shelter for the homeless.

Greeks free 500 to ease jail crisis

From Mario Modiano
Athens, April 22

To ease prison congestion and relieve the serious backlog of court cases in Greece, the Socialist Government has passed a law suspending all jail sentences up to one year and dropping charges on all minor offences punishable by up to one year's imprisonment.

This has caused the Greek prison population of 8,000 to drop by 500 and 300,000 cases have been shelved.

The implementation of the new legislation, however, stumbled on a ruling of the Athens Appeal Court which held that the law was unconstitutional because it forbade amnesties for common offences: the law was unconstitutional.

The Appeal Court set a precedent and many courts followed suit by rejecting the invocation of the new law whenever a lawyer insisted that his client qualified for this reprieve. Other tribunals, however, disagreed, and the state prisons opened their gates to let out inmates who qualified.

The affair was fast developing into a muddle that was giving the Greek judges far more headaches than the law had caused to cure.

The confusion was ended by the Supreme Court recently when a plenary of the 25 judges decided that the law was constitutional and, therefore, valid. Their ruling is binding on the lower courts.

The case that prompted the ruling involved Mr Constantine Despotopoulos, a university professor who decided to make a test case of his refusal to swear an oath before an examining magistrate.

Greek penal procedure excuses atheists from taking an oath in court. They can give their word of honour instead. Mr Despotopoulos insisted on doing the same on the ground that it was blasphemous and profane to take an oath to God. Curiously enough the Greek church agrees with him. Two Greek courts so far have ruled against the professor and sentenced him to one month in jail. It was hoped that the Supreme Court would have given a final ruling. But the judges did not delve into the substance of the controversy, they simply dismissed the case involving the new law. The Supreme Court decided that the new law was fully constitutional as it did not involve an amnesty but a suspension of sentences which could be revived within one year. The defendant was, irreversibly, sentenced to a prison term of two months or more or a fine of at least £400.

Greeks free 500 to ease jail crisis

1. *Journal of the American Medical Association*, 1997; 277: 1033-1037.



No access to court through EEC law

British subjects against Danish subjects, the matter could be brought before the court by means of judicial review.

Lord Justice Griffiths agreed.

LORD JUSTICE KERR, agreeing, said that when section 23 was considered in the context of sections 26, 27 and 28 it was clear that the machinery for complaint to the Secretary of State of Trade under section 27 provided the

Mr Seymour's basic submission on EEC law was that article 17 conferred rights of direct application and that individuals and that it could be invoked by a plaintiff even in the absence of any legislation in the member state on question which discriminated on the basis of nationality. That submission was clearly supported by any authority which he cited. It was clear that only some, but by no means all of the provisions of the Treaty of Rome were directly applicable so that found claims by individuals against individuals in member states.

that whenever an individual sought to invoke some claim under the Treaty of Commerce, section 2 of the European Communities Act 1972 he was entitled *ipso facto* to seek redress by means of an action in the courts even where under national law the subject-matter of his claim fell to be dealt with otherwise than by action in the courts. That submission was wholly misconceived. There could be no doubt that rights and obligations arising from the Treaty as well as from regulations and decisions of the European Court of Justice, formed part of the *corpus juris* of

Clear words required to terminate employment

Thus, in the present case it was common ground between the parties that upon complaint to the secretary of state under section 27 of the 1913 Act, the minister would be bound to take into account all relevant pro-

If he failed to do so, his decision was open to judicial review. However it did not in any way follow that the assertion of any right under EEC law automatically conferred a right of access to the courts when the national law had set up some

Accordingly, since it was rightly conceded that, in dealing with complaints under section 27 of the 1913 Act, the secretary of state was bound by any applicable provisions of EEC law, the nature of the plaintiffs' claim did not, *in fact*, entitle them to proceed in the courts in disregard of section 27.

Solicitors: Bentleys, Stokes & Lovell; Luce & Co.

Way to avoid

discovery difficulties

In **S and W (Minors)** it was unfortunate that a doctor referred in his report on minors to wardship proceedings to case conference reports. Those documents were conceded to be privileged. It would have been sufficient for the doctor to have based his report on a letter from the social worker which was not privileged and difficulties over discovery would be avoided.

LORD JUSTICE GRABER

Lord Justice Ormrod, sitting in the Court of Appeal on April 6 with Lord Justice Eveleigh and Lord Justice May, allowed an appeal by Southwark London Borough from an order of Mr Justice Lacey that copies of the case conference reports referred to by the doctor should be produced.

Principles for granting leave to appeal on law in arbitrations

Divisional Court in *Nestle Co Ltd v E. Higgins & Co Ltd* ([1958] 1 Lloyd's Rep 398).

The relevant clause in that case was: "...any claim on quality or condition of the goods must be made not later than 14 days from

the day of weighing and
discharge of goods at port of
final destination". Giving the
judgment of the court, Lord
Goddard, Lord Chief Justice
at 404, said: "It is clear that
the condition under [section 27] to
extend the time in which a claim
is to be made because the claim is
the first step towards arbitration".

The first step had difficulty in
ascertaining why the making of a claim
for quality or condition was a
first step to commence arbitration
proceedings. It was a condition
precedent for arbitration. It was
not of itself a condition
precedent for proceedings, or necessarily
lead to their being commenced.
The claim might be conceded or
disputed until the Divisional
Court's finding was wrong and
should be overruled.

Section 27 empowered the court to extend the time fixed for giving notice to appoint an arbitrator, appointing an arbitrator or taking some other step to commence arbitration proceedings, if doing so would prevent a claim becoming time-barred. It did not empower the court to extend any other time limits. The appeal disclosed what many might think was a serious gap in the law. Time bar clauses could, as the judge pointed out, become

source of injustice or even oppression. In such cases the courts should not be impotent to grant relief.

However, as the law stood, that would be the position if, in order to avoid a barring provision, the claimant was required to take some action other than taking a case to commence arbitration proceedings.

With considerable reluctance, but without doubt or hesitation, the Lordship would dismiss the appeal.

Sir David Cairns and Lord Justice Stephenson agreed.

Solicitors: Thomas Cooper & Partners.

.....

Wadkin, C. C. J. R. Walker, 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838,

The pensions industry

Today in Bournemouth Mr Norman Tebbit, the Employment Secretary, addresses members of the National Association of Pension Funds on the economic realities confronting their £50,000m industry.

John Whitmore takes up the theme.



Pensioners of Reed International on an outing: an illustration from Reed Pension Trust's 1981 annual report, which was commended in this year's Golden Pen Award competition, run by the NAPP (see page 19).

How employees lose out when they change jobs

Last June the Occupational Pensions Board published its long-awaited report on *Improving Protection for the Occupational Pension Rights and Expectations of Early Leavers*. Since that date, there has been desultory debate of the report's conclusions and recommendations. But sadly it looks as though the report will suffer the same fate as most of its predecessors, and be conveniently swept under the carpet.

The problem, however, will not go away. The much increased incidence of company closures, takeovers, mergers and liquidations following in the wake of recession has massively swelled the ranks of the unemployed and redundant. These former employees suffer the double blow of losing both their job and a substantial proportion of their pension rights. While the former may be unavoidable, the latter is not.

Most of the 11,500,000 employees in company pension schemes expect to retire on a pension related to their salary at retirement date. The exact proportion of final salary will depend on the number of years the employee has been a member of the company pension scheme.

Commonly the formula is one-sixteenth of final salary for each year of service, providing a life-long employee with the maximum allowed by the Inland Revenue, two-thirds of final salary.

The early leaver — whether a job changer moving voluntarily or a redundant employee — receives frozen pension benefits based on salary at the time of leaving — clearly a much less attractive proposition. It has been estimated that an employee who changes jobs just once in his working life receives only 60 per cent of the pension benefits of those who stay with one employer.

The main recommendation of the OPB's report is that early leavers should receive the same benefits for their years of pensionable service as their fellow members who stay in the same employment to pension age. In practice

this would mean uprating frozen pension benefits to take account of inflation in the time between an employee leaving, and retirement age.

Regrettably the OPB's recommendations were largely rejected by the pension industry's main trade organization, the National Association of Pension Funds.

Yet the Association's own statistics demonstrate just how badly legislation is needed. The NAPP's survey for 1980 revealed that 73 per cent of all occupational pension schemes give no increases at all on deferred pensions, and in the private sector, only 12 per cent of schemes improve benefits for early leavers during 1980.

Of those fortunate enough to be granted some uprating of frozen pension benefits, the actual increases granted were more than twice as good in the public sector schemes.

The Association correctly points out the difficulties of redistributing finite resources — "priorities once established are difficult to change and can only be changed to the advantage of one section at the expense of another."

But this ignores the fact that most employees become early leavers at some point in their career.

The NAPP has centred its criticisms of the OPB's proposals on the possible extra cost to employers, choosing to ignore the simple compromise of diverting any future improvement in pension benefits towards a fair share of the pension cake for early leavers and pensioners, rather than uprating benefits for stayers. This would cost employers nothing.

And its view of pensions is positively feudal. "What the NAPP deplores is the implicit assumption that in some way early leavers are not getting normal justice, that they are being denied rights," says the NAPP.

"We know that some early leavers are genuinely surprised to discover the consequences of their move in pension terms. Normally the employer invests a great deal in recruiting and training and would hope to amortize this over a period of years, possibly over something approaching a full career."

This outdated attitude towards employees and their pension fund entitlement persists in some firms, but in today's climate of forced redundancy and high unemployment, the unfairness of this approach becomes increasingly apparent.

The OPB in its report is quite clear about the poor chance of employers voluntarily improving the plight of early leavers, saying they "feared voluntary action would be too slow in achieving adequate and widespread improvements and the board agreed on the need for some statutory action to require these increases". The board is, however, split on how far employers should be forced by law to uprate the frozen pension benefits of early leavers.

Most of the board opted for increases each year in line with average earnings up to a maximum of 5 per cent compound a year. A minority on the board wanted mandatory increases in line with average earnings — or if a statutory ceiling were imposed it should be at least 8.5 per cent a year.

At the moment, the debate on early leavers' pension rights has gone cold.

The one glimmer of light has been the acceptance by the Inland Revenue and the OPB of a new pension scheme set up by Insurers London and Manchester which offers early leavers the facility to take a transfer value from an occupational pension scheme and invest it in a personal pension plan, thereby enhancing the benefits paid on retirement.

If more insurers follow suit, the pension funds may be forced to improve deferred pension benefits, to prevent all their early leavers from taking a transfer value and massively depleting the funds' resources.

Lorna Bourke

Pensioners may not be in the public spotlight at the moment as they have sometimes been in the past. But these are still interesting days in the pensions world, as the political engineers struggle to upgrade the British economic machine.

Unless that is accomplished, our hopes of a comfortable retirement could be rudely shattered. For, as the Chancellor told the National Association of Pension Funds at the Birmingham conference last May: "Our society has locked itself into providing benefits without having made the economic adjustments necessary to sustain them."

That said, it is perhaps too easy to be excessively gloomy about the British economy — and, by extension, pension prospects. The performance of the last couple of years has, it is true, been disappointing. And it is also true that the prospect of the world becoming still more competitive through the 1980s would not seem to augur well for a country that has been frustratingly slower to adapt to change than many of its more successful competitors.

Yet, if one looks back over the 1970s, it is at least arguable that our economic performance has been less disastrous than is commonly perceived. In the decade to 1979 — before the recent recession started — output grew by 23 per cent in real terms and real disposable incomes by no less than 37 per cent.

Moreover, the recession itself has forced many managements to take the long overdue measures needed to keep them internationally competitive. And one hopes there are sufficient companies who see the advent of a period of rapid technological change as offering significant new opportunities for growth rather than as the likely cause of the British economy's final undoing.

But should the Jeremiahs turn out to be right, what then? There are a number of scenarios one can draw, some more threatening to pensions than others. The worst would be our prolonged economic stagnation, or even marginal contraction. Quite apart from the fact that this would imply falling living standards, both in work and in retirement, for certain sectors of the population, it strongly suggests that benefits in general would have to be spread more thinly.

A rather less pessimistic scenario might be one in which the economy continued to grow in line with the 1970s trend — i.e. at just over 2 per cent a year — but with living standards stagnating as the terms of trade turned against us.

In that case nominal pension commitments would probably be met, but that would not be the end of the matter. For the implication of a steadily depreciating exchange rate would be steadily rising prices and a severe squeeze on those with fixed incomes.

In short, one would march straight back into the debate on inflation-proofing pensions — and the cost. In the 1970s some occupational private sector schemes went a long way, sometimes the whole way, towards protecting pensioners from inflation. But in the schemes used in the Scott Report exercises the average protection afforded against inflation had been running at no more than 50-55 per cent.

As the new state scheme comes into its own, an increasing proportion of pensions will automatically become inflation-proofed out of state coffers (or, more correctly, the taxpayers' pockets). But that would still leave occupational schemes with plenty to do, particularly where there was a relatively large membership with above average earnings.

Indeed, for many schemes, full inflation proofing remains an impossible commitment without a major adjustment either to contributions or the basic benefit. And that is before one comes to the question of whether or not the State would be able to keep to its own commitment on inflation-proofing.

There might have to be some re-thinking on the scope of the earnings-related element of the State pension or some redefinition of the basis for inflation-proofing. Arguably, the concept of inflation-proofing based on the movement in retail prices is ill-founded. It suggests that all those enjoying the benefit of indexation are entitled to a standard of living the country may not be earning. Sooner rather than later the Government should consider modifying the concept of indexation to allow for such factors as changes in the terms of trade, indirect taxation etc.

That might complicate what has the merit of being a relatively simple system. But it would reduce the risk of dangerous distortions in the economy and provide a better way of ensuring that the community as a whole shared equitably in any general change in the level of living standards.

A third scenario would be the one to which we tend to cling for the practical reason that the world has become so volatile that we no longer really know what to predict. This is a future in which both output and living standards remain broadly in line with past trends. In that case the emphasis will turn more to views on the rates of return likely to be available.

Here it is perhaps possible to be rather more optimistic (unless one believes in a change in government that will produce some fairly unscrupulous direction of investment). Discounting platitudes on the justice of savers getting a fair crack of

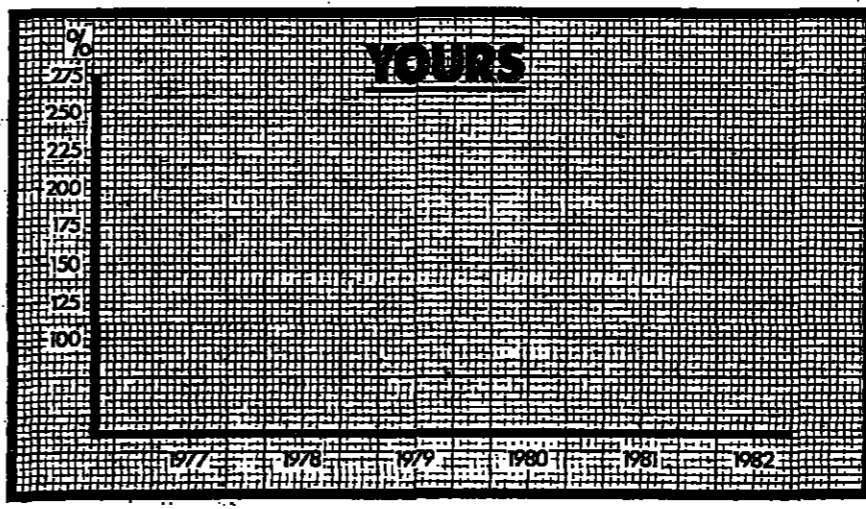
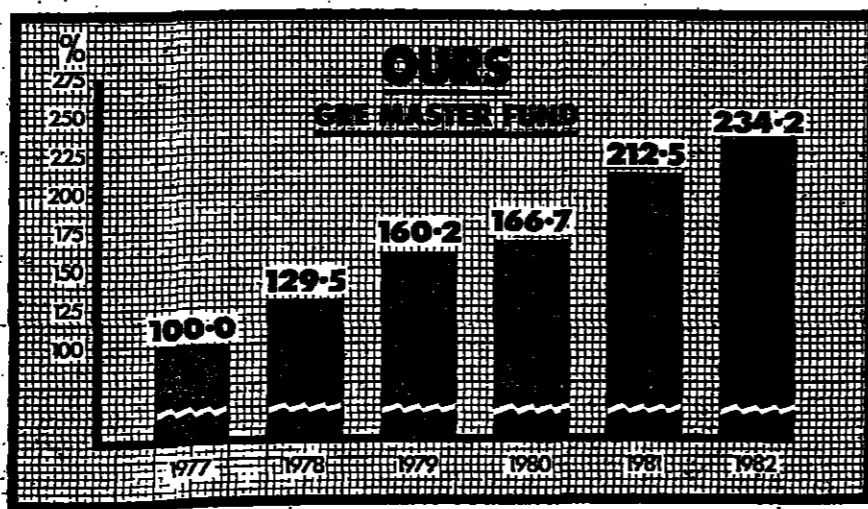
the whip, the fact is that investors now have index-linked stocks, what look to be historically high prospective real returns on other government paper, and the slow rehabilitation of the concept and reality of corporate profitability.

One could produce other scenarios — perhaps of an even more optimistic nature. But for the pension funds it is not only going to be what happens to the overall economy that matters but also what happens to employment. And here it is not impossible that the best scenario for living standards could be one that minimizes employment.

Nobody really knows. Will technological change simply leave us with a permanently smaller and diminishing workforce? Or will the structure of the economy change in a way that will bring about a return to "full employment" accompanied by large redeployments of the labour force?

In the latter case there could be major changes in the relative sizes of companies and their pension funds; and that would suggest potential transitional problems, particularly as pressure mounts for a better deal on transfer rights.

In the former case, the total numbers in the population with a claim to long-term benefits would rise significantly. The idea of the school-leaver becoming a pensioner immediately is unpalatable and, hopefully, far-fetched. But a sustained trend toward a large number of people out of work or having to share work for a good part of their lives, or simply retiring early, could well have major implications for the proportion of resources to be devoted to the traditional pensioner.



OUR LAST 5 YEARS VERSUS YOUR LAST 5 YEARS.

If you manage a pension fund, we challenge you to compare GRE's Master Fund performance with that of your investments.

60 months is long enough to give you a pretty good idea of an investment's performance.

So we would respectfully point you in the direction of the Master Fund of the GRE Pensions Management Company.

The chart above shows its performance over the 5 years ending March 1982, when its average growth rate was 18.6% p.a. compound.

But you'll find that over almost any 5-year period you choose to examine it's rarely been out of the top five performing funds of its type.

Should you prefer a choice of specialised investments, we also offer a range of managed portfolios: Property, Equity, Deposit, Fixed Interest, International and Mixed Fund.

They're managed by the same team that manage Master Fund.

And although they were only launched in October '79, we are confident that in the long term they will emulate the outstanding performance of Master Fund.

You can invest in any combination of these funds to suit your individual requirements.

For further information about our funds or how our experience can best be used to help you, contact your usual financial adviser. Or GRE Field Operations on 01-283 7101.



**Guardian
Royal Exchange
Assurance**

GREAT INVESTMENT

Stock Exchange Prices

ack of interest

ACCOUNT DAYS: Dealings Began, April 19. Dealings End, April 29. § Contango Day, April 30. Settlement Day, May 10.
§ Forward bargains are permitted on two previous days.

BELL'S
SCOTCH WHISKY
BELL'S

BELL'S
SCOTCH WHISKY
BELL'S

[illegible]

FLAT SHAN

SITUATIONS WANTED

HAUFFEIN, (W-R). smart
man. is hire by hour/day.
589 9871.

YOUNG FRENCH **LAWYER** with
experience with know-how on
the evolution of

to make full use of the experience. Please send replies to The Times, Box 45, 8 rue Malherbe, 75441 Paris Cedex 09, France.

**FINANCIAL
MISCELLANEOUS**

ASTHORENE BOURGHE COUN-
CIL - 2550.000 MBs issued 21st
April, due 21st July 1982, placed
at 15-7/32%. No other bids out-
standing.

DRUGS - USA - Customized market reports, surveys, recommendations for corporations, specialists, investors. Reliable data sources, contacts. 12 years' experience. This market! Fee basis. Paul Townsend, 8070 SW 145 Ave., Suite A105, Miami, Florida 33149, U.S.A.

DOMESTIC AND CATERING SITUATIONS

for domestic household in
Mayfair, London. Non re-
sident cook. Very modern equip-
ment: hours 4-10 p.m. Qual-
ifications: cordon bleu standard.
Must be fully capable of work-
ing alone controlling budget
and shopping. Write to Talis-
man, 10 Queen Street, Lon-
don, W.1, or telephone 491
4489.

CORDON BLEU

trans. truck, camp, cooking lunch, service, table, clearing up, etc. for a minimum of eight people. Small well equipped kitchen. Write with full details of age, experience, c.v. and salary required to c.v. and salary

BOX 1590 G. THE TIMES

PAIR BUREAU Pickering Ltd. offers the largest 20 job agency offers best jobs London or abroad at 87 Regent Street, W1. 439 6334.

Tel. 589 5582
 and 31 near Geneva needs an
 male, mother's help now. Must
 be cheerful, non-smoker, car
 driver, keen on sports. Life.
 Call Sybil 010-50-21917 and
 I'll call you back.
EXPERIENCED COOK required.
 Director's dining room. Long
 established City firm, high stan-
 dards. Tel. 01-252 3000.
 Mrs. A. Thomas, 01-252 3000
 ext. 3002.

REQUIRED
LINGUAL FRENCH LADY 22
requires live-in position. French
and German, children tuition
London area. to postcard her
English. Françoise Hanel.
Postamt 3655 Bleeckstr 6,
Germany.

A CREME DE LA CREME

T. A. Creme

**SECRETARIAL RELATIONS
CONSULTANTS**
**For
temporary
assignments.**
01-836-4066

NON-SECRETARIAL

RELLI'S are looking for a
personnel manager
relatives

RECEPTIONIST, c. \$5,000. W.R.
Highly prestigious Advertising
Agency is looking for a smart,
well-educated receptionist to
work in their lovely new office.
Duties include greeting clients,
operating a Herald switchboard,
answering correspondence and
handling all correspondence of
branches. Etc. Organizational
background. Etc. 437 1136.

**PART-TIME
VACANCIES**

Part time specialist required in Scandinavian political and cultural affairs with knowledge of all Scandinavian languages and of handling public affairs programme. To join strong new company. Salary negotiable according to experience. Box 1781 G, The Times.

SEGIN MONDAY, Editorial Dept.
Typist, top rates. Cevant Garden
Borran, 53 Fleet Street, S.C.4.
01-353 7696.

SECRETARIAL

MAZINE PUBLISHING. Grow
magazine publishing house
needs competent, experienced
Secretary with shorthand. Busy
interesting work in modern
w.l. offices. To find out more,
please ring, Beverly Flower on

BILINGUAL SECRETARY with knowledge of French, Spanish or Italian for small export company in the city. Good shorthand and typing assistant. Salary \$25,000-30,000. Send resume to Box No. 1588 G, The Times.

AUDIO—Rent/car/Planes Co. based Park Pl. Legal exp. helpful. c. \$6,000. 1d.

MAIL FIRM of surveyors in West End requires shorthand secretary. Salary negotiable. Please ring 850 1000.

Full-time

FULLY COMPETENT SECRETARIAL SERVICE Glouan Sq.—730 5428.

senior positions. AUSA, Associate
Agency, CI-724, 263
N. 1st Street, requires an inde-
pendent London Bridge wine
merchant. Good skills, adapt-
ability and cheerfulness essential.
Salary £5,000. Phone 405 21
-54 per hour. Large Demand
(sees). Regular bookings. City
and West. End. 629 7638.
Barnett Personnel (Rev. Con-7)

Recruitment Opportunities
are featured

For details ring
01-278-9161

Part time specialist required in Scandinavian political and cultural affairs with knowledge of all Scandinavian languages and of handling public affairs programme.

Salary negotiable according to experience. Box 1783 G, The Times.

TEMPERING TIMES

EDIN MONDAY. Editorial Dept. Typist, top rates. Cowan & Co. Secret. 35 Fleet Street, E.C.4. 01-355 7696.

SECRETARIAL

MAGAZINE PUBLISHING. glossy magazine publishing - home needs component - experienced writer with splendid pay

[illegible]

Recruitment Opportunities are featured every Thursday

For details ring
01-278-9161

100

